

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 828**

Introduced by Kruse, 13; Combs, 32; Connealy, 16; Cornett, 45;  
Howard, 9; Kopplin, 3; Price, 26; Wehrbein, 2

Read first time January 4, 2006

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to motor vehicles; to amend sections 44-6408,  
2 60-501, 60-509, 60-534, and 60-549, Reissue Revised  
3 Statutes of Nebraska, and sections 60-310 and 60-346,  
4 Revised Statutes Supplement, 2005; to change liability  
5 insurance and financial responsibility requirements; to  
6 provide an operative date; and to repeal the original  
7 sections.

8 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 44-6408, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           44-6408 (1) No policy insuring against liability imposed  
4 by law for bodily injury, sickness, disease, or death suffered  
5 by a natural person arising out of the ownership, operation,  
6 maintenance, or use of a motor vehicle within the United States,  
7 its territories or possessions, or Canada shall be delivered,  
8 issued for delivery, or renewed with respect to any motor vehicle  
9 principally garaged in this state unless coverage is provided for  
10 the protection of persons insured who are legally entitled to  
11 recover compensatory damages for bodily injury, sickness, disease,  
12 or death from (a) the owner or operator of an uninsured motor  
13 vehicle in limits of ~~twenty-five~~ fifty thousand dollars because  
14 of bodily injury, sickness, disease, or death of one person in  
15 any one accident and, subject to such limit for one person,  
16 ~~fifty~~ one hundred thousand dollars because of bodily injury,  
17 sickness, disease, or death of two or more persons in any one  
18 accident, and (b) the owner or operator of an underinsured motor  
19 vehicle in limits of ~~twenty-five~~ fifty thousand dollars because  
20 of bodily injury, sickness, disease, or death of one person in  
21 any one accident and, subject to such limit for one person, ~~fifty~~  
22 one hundred thousand dollars because of bodily injury, sickness,  
23 disease, or death of two or more persons in any one accident.

24           (2) At the written request of the named insured, the  
25 insurer shall provide higher limits of uninsured and underinsured

1 motorist coverages in accordance with its rating plan and rules,  
2 except that in no event shall the insurer be required to provide  
3 limits higher than one hundred thousand dollars per person and  
4 three hundred thousand dollars per accident.

5 (3) After purchase of uninsured and underinsured  
6 motorist coverages, no insurer or any affiliated insurer shall be  
7 required to notify any policyholder in any renewal, reinstatement,  
8 substitute, amended, altered, modified, transfer, or replacement  
9 policy as to the availability of optional limits of such coverages.  
10 The named insured may, subject to the limitations of this section,  
11 make a written request for additional coverage or coverage more  
12 extensive than that provided in a prior policy.

13 Sec. 2. Section 60-310, Revised Statutes Supplement,  
14 2005, is amended to read:

15 60-310 Automobile liability policy means liability  
16 insurance written by an insurance carrier duly authorized to do  
17 business in this state protecting other persons from damages for  
18 liability on account of accidents occurring subsequent to the  
19 effective date of the insurance arising out of the ownership of  
20 a motor vehicle (1) in the amount of ~~twenty-five~~ fifty thousand  
21 dollars because of bodily injury to or death of one person in any  
22 one accident, (2) subject to the limit for one person, in the  
23 amount of ~~fifty~~ one hundred thousand dollars because of bodily  
24 injury to or death of two or more persons in any one accident, and  
25 (3) in the amount of ~~twenty-five~~ forty thousand dollars because

1 of injury to or destruction of property of other persons in any  
2 one accident. An automobile liability policy shall not exclude  
3 liability coverage under the policy solely because the injured  
4 person making a claim is the named insured in the policy or  
5 residing in the household with the named insured.

6 Sec. 3. Section 60-346, Revised Statutes Supplement,  
7 2005, is amended to read:

8 60-346 Proof of financial responsibility means evidence  
9 of ability to respond in damages for liability, on account of  
10 accidents occurring subsequent to the effective date of such proof,  
11 arising out of the ownership, maintenance, or use of a motor  
12 vehicle, (1) in the amount of ~~twenty-five~~ fifty thousand dollars  
13 because of bodily injury to or death of one person in any one  
14 accident, (2) subject to such limit for one person, in the amount  
15 of ~~fifty~~ one hundred thousand dollars because of bodily injury to  
16 or death of two or more persons in any one accident, and (3) in the  
17 amount of ~~twenty-five~~ forty thousand dollars because of injury to  
18 or destruction of property of others in any one accident.

19 Sec. 4. Section 60-501, Reissue Revised Statutes of  
20 Nebraska, is amended to read:

21 60-501 For purposes of the Motor Vehicle Safety  
22 Responsibility Act, unless the context otherwise requires:

23 (1) Department means Department of Motor Vehicles;

24 (2) Judgment means any judgment which shall have become  
25 final by the expiration of the time within which an appeal might

1 have been perfected without being appealed, or by final affirmation  
2 on appeal, rendered by a court of competent jurisdiction of any  
3 state or of the United States, (a) upon a cause of action arising  
4 out of the ownership, maintenance, or use of any motor vehicle for  
5 damages, including damages for care and loss of services, because  
6 of bodily injury to or death of any person or for damages because  
7 of injury to or destruction of property, including the loss of  
8 use thereof, or (b) upon a cause of action on an agreement of  
9 settlement for such damages;

10 (3) License means any license issued to any person under  
11 the laws of this state pertaining to operation of a motor vehicle  
12 within this state;

13 (4) Motor vehicle means any self-propelled vehicle which  
14 is designed for use upon a highway, including trailers designed for  
15 use with such vehicles, except (a) mopeds as defined in section  
16 60-637, (b) traction engines, (c) road rollers, (d) farm tractors,  
17 (e) tractor cranes, (f) power shovels, (g) well drillers, (h)  
18 every vehicle which is propelled by electric power obtained from  
19 overhead wires but not operated upon rails, (i) electric personal  
20 assistive mobility devices as defined in section 60-618.02, and  
21 (j) off-road designed vehicles, including, but not limited to, golf  
22 carts, go-carts, riding lawnmowers, garden tractors, all-terrain  
23 vehicles as defined in section 60-6,355, minibikes as defined in  
24 section 60-636, and snowmobiles as defined in section 60-663;

25 (5) Nonresident means every person who is not a resident

1 of this state;

2 (6) Nonresident's operating privilege means the privilege  
3 conferred upon a nonresident by the laws of this state pertaining  
4 to the operation by him or her of a motor vehicle or the use of a  
5 motor vehicle owned by him or her in this state;

6 (7) Operator means every person who is in actual physical  
7 control of a motor vehicle;

8 (8) Owner means a person who holds the legal title of a  
9 motor vehicle, or in the event (a) a motor vehicle is the subject  
10 of an agreement for the conditional sale or lease thereof with the  
11 right of purchase upon performance of the conditions stated in the  
12 agreement and with an immediate right of possession vested in the  
13 conditional vendee or lessee or (b) a mortgagor of a vehicle is  
14 entitled to possession, then such conditional vendee or lessee or  
15 mortgagor shall be deemed the owner for the purposes of the act;

16 (9) Person means every natural person, firm, partnership,  
17 limited liability company, association, or corporation;

18 (10) Proof of financial responsibility means evidence  
19 of ability to respond in damages for liability, on account of  
20 accidents occurring subsequent to the effective date of such proof,  
21 arising out of the ownership, maintenance, or use of a motor  
22 vehicle, (a) in the amount of ~~twenty-five~~ fifty thousand dollars  
23 because of bodily injury to or death of one person in any one  
24 accident, (b) subject to such limit for one person, in the amount  
25 of ~~fifty~~ one hundred thousand dollars because of bodily injury to

1 or death of two or more persons in any one accident, and (c) in the  
2 amount of ~~twenty-five~~ forty thousand dollars because of injury to  
3 or destruction of property of others in any one accident;

4 (11) Registration means registration certificate or  
5 certificates and registration plates issued under the laws of this  
6 state pertaining to the registration of motor vehicles;

7 (12) State means any state, territory, or possession of  
8 the United States, the District of Columbia, or any province of the  
9 Dominion of Canada; and

10 (13) The forfeiture of bail, not vacated, or of  
11 collateral deposited to secure an appearance for trial shall be  
12 regarded as equivalent to conviction of the offense charged.

13 Sec. 5. Section 60-509, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15 60-509 No such policy or bond shall be effective under  
16 section 60-508 unless issued by an insurance company or surety  
17 company authorized to do business in this state, except that if  
18 such motor vehicle was not registered in this state or was a  
19 motor vehicle which was registered elsewhere than in this state  
20 at the effective date of a policy or bond or the most recent  
21 renewal thereof, such policy or bond shall not be effective under  
22 section 60-508 unless the insurance company or surety company, if  
23 not authorized to do business in this state, shall execute an  
24 acknowledgment that the company shall be amenable to process issued  
25 by a court of this state in any action upon such policy or bond

1 arising out of such accident. Every such policy or bond is subject,  
2 if the accident has resulted in bodily injury, sickness, disease,  
3 or death, to a limit, exclusive of interest and costs, of not less  
4 than ~~twenty-five~~ fifty thousand dollars because of bodily injury  
5 to or death of one person in any one accident and, subject to  
6 such limit for one person, to a limit of not less than ~~fifty~~ one  
7 hundred thousand dollars because of bodily injury to or death of  
8 two or more persons in any one accident and, if the accident has  
9 resulted in injury to or destruction of property, to a limit of  
10 not less than ~~twenty-five~~ forty thousand dollars because of injury  
11 to or destruction of property of others in any one accident. Upon  
12 receipt of a notice of such accident, the insurance company or  
13 surety company which issued such policy or bond shall furnish, for  
14 filing with the department, a written notice that such policy or  
15 bond was in effect at the time of such accident.

16 Sec. 6. Section 60-534, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 60-534 Such motor vehicle liability policy shall (1)  
19 designate by explicit description or by appropriate reference all  
20 motor vehicles with respect to which coverage is thereby to be  
21 granted and (2) insure the person named therein and any other  
22 person, as insured, using any such motor vehicle or motor vehicles  
23 with the express or implied permission of such named insured,  
24 against loss from the liability imposed by law for damages arising  
25 out of the ownership, maintenance, or use of such motor vehicle or



1 motor vehicles within the United States of America or the Dominion  
2 of Canada, subject to limits exclusive of interest and costs, with  
3 respect to each such motor vehicle as follows: ~~Twenty-five~~ Fifty  
4 thousand dollars because of bodily injury to or death of one person  
5 in any one accident and, subject to such limit for one person,  
6 ~~fifty~~ one hundred thousand dollars because of bodily injury to or  
7 death of two or more persons in any one accident, and ~~twenty-five~~  
8 forty thousand dollars because of injury to or destruction of  
9 property of others in any one accident.

10 Sec. 7. Section 60-549, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12 60-549 Proof of financial responsibility may be evidenced  
13 by the certificate of the State Treasurer that the person named  
14 in the certificate has deposited with him or her ~~seventy-five~~ one  
15 hundred forty thousand dollars per vehicle in cash or securities  
16 such as may legally be purchased by savings banks or for trust  
17 funds of a market value of ~~seventy-five~~ one hundred forty thousand  
18 dollars. The State Treasurer shall not accept any such deposit and  
19 issue a certificate therefor and the department shall not accept  
20 such certificate unless it is accompanied by evidence that there  
21 are no unsatisfied judgments of any character against the depositor  
22 in the county where the depositor resides.

23 Sec. 8. This act becomes operative on January 1, 2007.

24 Sec. 9. Original sections 44-6408, 60-501, 60-509,  
25 60-534, and 60-549, Reissue Revised Statutes of Nebraska, and

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1 sections 60-310 and 60-346, Revised Statutes Supplement, 2005, are  
2 repealed.